GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:88
ANSWERED ON:22.11.2016
Misuse of CSR Funds
Sharma Shri Jugal Kishore

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the funds allocated and utilised by the Central Public Sector Enterprises (CPSEs) along with the details of projects undertaken by various PSUs under Corporate Social Responsibility (CSR) during the last three years and the current year;

(b) whether the Government is aware of the misuse of Corporate Social Responsibility funds by the Public Sector Undertakings and if so, the details thereof; and

(c) the steps taken by the Government to ensure that corporate social responsibility fund is utilised properly as per the standard guidelines?

Answer

THE MINISTER OF STATE OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI BABUL SUPRIYO)

(a) to (c): A statement is laid on the Table of the House.

Statement referred to in reply to the Lok Sabha Starred Question No. *88 for reply on 22.11.2016 regarding 'Misuse of CSR Funds'

Part (a): Department of Public Enterprises (DPE) is the nodal Department for Central Public Sector Enterprises (CPSEs) but it does not have any CPSE under its direct administrative control. These CPSEs are controlled by various Ministries/ Departments of Government of India.
Selection of CSR activities is to be undertaken by CPSEs as specified in Schedule-VII of Companies Act, 2013 and allocation of funds to be incurred on the activities is decided on the recommendations of CSR Committee constituted by the CPSE with the approval of Boards of respective CPSEs. Details of projects wherein CSR funds have been utilized are maintained only from 2014-15 after the provisions of CSR came into force on 1st April, 2014 under the Companies Act, 2013. All eligible corporates, including CPSEs are now mandated to furnish details of funds allocated and utilized for undertaking activities / projects under CSR in the format prescribed by the Ministry of Corporate Affairs (MCA) under the Companies (CSR Policy) Rules, 2014. This information has also to be uploaded by CPSEs on the website of MCA.
As per information furnished by 120 CPSEs an amount of Rs. 2450.31 crore has been incurred during 2014-15 and an amount of Rs. 3754.33 crore has been incurred by 92 CPSEs during 2015-16 for undertaking CSR activities/ projects. Details are given in Annexure.
Part (b) & (c): CSR activities are taken up by the CPSEs on the recommendations of CSR Committee with the approval of Board of respective CPSEs. All CPSEs eligible for CSR are mandated to undertake CSR activities and also, to follow the procedure as notified by Ministry of Corporate Affairs in Companies (CSR Policy) Rules, 2014, including redressal of complaints or misuse, if any, in this regard. Besides, an advisory has been issued by the Department to CPSEs to observe transparency and due diligence in selection and implementation of activities under CSR.

*****